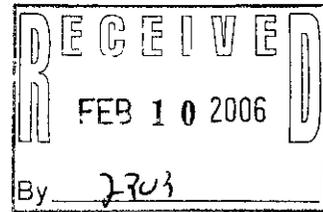


# CAROLINA BANK



February 1, 2006

Mr. Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street Northwest  
Washington, DC 20429

Re: **Proposal for New Regulatory Requirements Dealing With  
Concentrations in Real Estate Lending/Sound Risk Management  
Practices**

Dear Mr. Feldman:

On behalf of Carolina Bank, I would like to offer the following comments to your new proposed regulation:

- You indicate in your background section that the agencies have observed that some institutions have high and increasing concentrations of commercial real estate loans on their balance sheets and the agencies have concerns about those. If this concern is more limited in the number of financial institutions, I find it egregious that you would try and force all financial institutions to increase the regulatory burden that we already have. It would appear like "one bad apple spoils the whole bunch".
- There presently are real estate lending guidelines as outlined in FIRREA and FDICIA that should govern these concerns. It would appear that, if the individual examiners are properly underwriting the banks in which they are auditing, those concerns could be dealt with on a case-by-case basis. That is the justification for the CAMELS rating, as well.
- Therefore, if individual financial institutions are not fully complying with current federal regulatory guidelines and oversight, they should be dealt with on a one-on-one basis. There should not be an increase in the regulatory burden, which is already high, on other banks that are not subject to these weaknesses. Additionally, many of those concerns that you mention as justification for this new burden, are more regionalized in nature, not across our country as a whole.

There is not reason to penalize the majority for a few.



Mr. Robert E. Feldman  
February 1, 2006  
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Thank you for your taking the time to review these comments and I hope they will lead the various agency heads to reconsider the need for this particular proposed legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert T. Braswell". The signature is written in a cursive style with a large initial "R".

Robert T. Braswell  
President and CEO

cc: Mr. Edward Aycock, Esquire  
Attorney at Law  
North Carolina Bankers Association  
Raleigh, North Carolina